

BellSouth Telecommunications, Inc.
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October 2, 2001

REGULATORY
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EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Complaint of Access Integrated Network, Inc. Against BellSouth Telecommunications, Inc.*
Docket No. 01-00808

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth Telecommunications, Inc.'s ("BellSouth") Answer to the Complaint filed recently by Access Integrated Network, Inc. ("AIN"). A copy has been provided to counsel of record for AIN.

During last Tuesday's Agenda Conference, Director Greer asked BellSouth to respond to two questions in connection with the Complaint. First, BellSouth was asked to identify all of BellSouth Corporation's marketing agencies or agents. In connection with that question, Director Greer also asked whether or not BERRYDirect or any other entity marketing on behalf of BellSouth would be required to meet the same tariff requirements as BellSouth.

BellSouth has a number of Authorized Sales Representatives ("ASRs") that are authorized to sell BellSouth services, as agents of BellSouth. Attached as Exhibit 1 to this letter is a current list of Tennessee ASRs. ASRs are typically authorized to sell both regulated and nonregulated services as representatives of BellSouth. Some ASRs sell the BellSouth 2001 Key Business Discount Program. ASRs are only authorized to sell regulated or tariffed services in accordance with the terms set forth in the tariffs. BellSouth's parent company, BellSouth

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Corporation, has not engaged any marketing agencies or agents to market regulated or tariffed services in Tennessee.

BellSouth also has engaged three entities to telemarket certain regulated services on BellSouth's behalf. One of the three entities, BERRYDirect, which is the subject of the complaint, was engaged by BellSouth to market the BellSouth 2001 Key Business Discount Program, in addition to certain other tariffed services including 1FBs and Complete Choice for Business, through outbound telemarketing in Tennessee. The other two entities, Telespectrum Worldwide and Inktel Direct, also marketed the BellSouth 2001 Key Business Discount Program in addition to certain tariffed services, including 1FBs and Complete Choice Business in Tennessee.

It is BellSouth's policy that marketing efforts by BellSouth itself, by entities providing telemarketing services (such as BERRYDirect), and by ASRs be consistent and in compliance with BellSouth's filings with the Authority, including the tariffs governing the provision of regulated services such as the BellSouth 2001 Key Business Discount Program tariff. Upon review of the complaint filed by AIN on September 18, 2001, all marketing efforts by BERRYDirect were promptly suspended in Tennessee. In an abundance of caution, all marketing efforts by the other two entities of the BellSouth 2001 Key Business Discount Program were also suspended in Tennessee.

Second, Director Greer asked why the BERRYDirect marketing activity was not described in BellSouth's response to data requests from the Authority relating to WinBack programs. The data request asked BellSouth to

describe in detail all BellSouth methods and procedures in place in Tennessee that are specifically aimed at gaining customers which have been lost to competitors, e.g., advertising and telemarketing campaigns, tariffs (including CSAs), etc. In your response please indicate how much time must elapse before BellSouth undertakes activities to regain a customer.

As stated in BellSouth's letter of August 22, 2001, to the Authority, the Staff's data requests referenced complaints filed by CLECs in other states regarding BellSouth's "WinBack" activities. These complaints focused primarily on

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BellSouth's "Full Circle" and "Welcome Back-WinBack" promotions that were offered to business customers in other states. These offerings were available only to eligible former BellSouth business customers who were receiving services from another telecommunications carrier.

The Full Circle promotion was never offered in Tennessee. With regard to the other promotion, BellSouth did file a tariff for the Welcome Back-WinBack program in May, 2000. See TRA Docket No. 00-00391. Several parties subsequently intervened, and BellSouth worked with those parties to understand and address their concerns. BellSouth modified the terms of the proposed tariff and offered this modified program to any business customer located in one of several specified wire centers who had annual billed revenue within a specified range. The Authority approved this tariff on June 20, 2000 and the program ended on September 13, 2000. The modified program was filed as the Competitive Discount Program.

Like the Competitive Discount Program, the BellSouth 2001 Key Business Discount Program is available by its terms to both existing and new customers, including former customers. In its response to the Authority's August 3 Staff Data Request, BellSouth stated that there are no programs in place in Tennessee that are specifically aimed at regaining business customers who have elected to receive service from another telecommunications carrier. To this day, no BellSouth regulated offering in Tennessee is available solely to former BellSouth customers.

BellSouth did not reference the BERRYDirect marketing activity in its responses to the Staff data requests because, unlike marketing activity regarding BellSouth's "Full Circle" and "Welcome Back-WinBack" promotions in other states, BERRYDirect's marketing activity regarding the 2001 Key Business Discount Program is not aimed specifically at regaining business customers served by another carrier. Instead, consistent with the terms of the BellSouth 2001 Key Business Discount Program tariff, BERRYDirect marketed this Program to both existing and former BellSouth customers. Unlike other states, BellSouth does not have a program in Tennessee that is limited to former BellSouth business customers being served by other telecommunications carriers. Moreover, BellSouth and its ASRs market the 2001 Key Business Discount Program to both new and existing customers.

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BellSouth develops lists of existing BellSouth customers that potentially are eligible for programs such as the BellSouth 2001 Key Business Discount Program. BellSouth also uses retail information to develop lists of former BellSouth customers that potentially are eligible for programs such as the 2001 Key Business Discount Program in Tennessee and the "Full Circle" and "Welcome Back-Winback" programs in other states. Sales representatives for BellSouth and entities providing telemarketing services such as BERRYDirect may use such lists in connection with their marketing efforts.

As stated above, BellSouth assures the Authority that it understands and agrees that any marketing efforts of a tariffed program, whether by BellSouth itself, a firm engaged in telemarketing, or an ASR must be fully consistent with the terms of the tariff approved by the Authority.

A copy of this letter is being provided to counsel of record.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

BELLSOUTH AUTHORIZED PARTNERS - TENNESSEE

Partner Name	Address	Suite/Bldg/Floor	City	State	Zip
ATC Telephone & Data Systems, Inc.	3121 Bartlett Corporate Dr.	Suite 105	Bartlett	Tennessee	38133
Bodie & Associates, Inc.	150 4th Avenue North	Suite 100	Nashville	Tennessee	37219
Bruce Hayes Communications	119 Volunteer Boulevard		Dyersburg	Tennessee	38024
ClickStream, Inc.	1005 Whitesburg Drive		Knoville	Tennessee	37918
Comdata Telecommunications Services, Inc.	5301 Maryland Way		Brentwood	Tennessee	37027
Communications Resources, Inc.	P. O. Box 22145		Chattanooga	Tennessee	37422
Communications Service, Inc.	313 Hill Avenue		Nashville	Tennessee	37210
Communications Systems, Inc.	3276 Commercial Parkway		Memphis	Tennessee	38186
Concepts In Communications, Inc.	5714 Charlotte Avenue		Nashville	Tennessee	37209
Cumberland Technologies, Inc.	718 West 15th Street		Hopkinsville	Kentucky	42240
Customer Support Teleservices, Inc.	5705 Stage Road	Suite 225	Memphis	Tennessee	38134
D.L. Industries, LLC	332 W. Broadway	Suite 819	Louisville	Kentucky	40202
Data Processing Sciences Corporation	10810 Kenwood Road		Cincinnati	Ohio	45242
Digital Connections, Inc.	214 Molly Walton Drive	Freehill Bus Park	Hendersonville	Tennessee	37075
Digital Technologies	711-B Franklin Street		Clarksville	Tennessee	37040
Dynamic Network Solutions, Inc.	3208 Oak View Ct.		Antioch	Tennessee	37013
East TN Communications of Chattanooga, Inc.	701 Dodds Avenue		Chattanooga	Tennessee	37404
EdgeNet Media, LLC	111 Westwood Place	Suite 101	Brentwood	Tennessee	37027
Educational Specialties, Inc.	520 Old Riceville Road		Athens	Tennessee	37303
Electronic Communication Systems	640 Highway 51 Bypass E	Suite 1	Dyersburg	Tennessee	38024
Gary Littrell	10368 Ligon Love Road		Bon Aqua	Tennessee	37025
General Data Concepts, Inc.	4982-B Lebonon Road		Old Hickory	Tennessee	37138
Gore Telecommunications Service	624 Woodland Mills Road		Union City	Tennessee	38261
HiTech Data Communications, Inc.	2170 Business Center Drive	Suite 1	Memphis	Tennessee	38134
HomeLan, Inc.	6316A Asheville Highway		Knoxville	Tennessee	37924
IdeaCom Technologies, Inc.	4408 Middlebrook Pike		Knoxville	Tennessee	37921
Infuturo Technologies, LLC	6211 N Shelby Oaks Drive	Suite 200	Memphis	Tennessee	38134
Intelligent Systems & Networking, Inc.	3923 Volunteer Drive		Chattanooga	Tennessee	37422
InterAccess, LLC	209 10th Avenue South		Nashville	Tennessee	37203
Interactive Solutions, Inc.	3860 Forest Hill Irene Road	Suite 101	Memphis	Tennessee	38125
JBK Network Consulting Limited	1106 Lovers Lane	Suite A-7	Bowling Green	Kentucky	42103
Jones Telecommunications, Inc.	350 South Main Street		Dyer	Tennessee	38330
Larry Travis	396 7th Avenue		Dayton	Tennessee	37321
Life Communications & Security, Inc.	329 West Lincoln Street		Tulahoma	Tennessee	37388
Malcom Perry	2404 Dundee Lane		Nashville	Tennessee	37214
Marshall Taylor	1385 Maley Hollow Road	Suite 2	Dayton	Tennessee	37321

BELLSOUTH AUTHORIZED PARTNERS - TENNESSEE

Partner Name	Address	Suite/Bldg/Floor	City	State	Zip
Meehan Corporation	220 Great Circle Road	Suite 110	Nashville	Tennessee	37228
Netstar Communications	201 Center Park Drive	Suite 1170-C	Knoxville	Tennessee	37922
NovaCopy, Inc.	5520 Shelby Oaks Drive		Memphis	Tennessee	38134
Optus, Inc.	3423 One Place		Jonesboro	Arkansas	72402
Orion Financial Solutions	209 10th Avenue South	Suite 400	Nashville	Tennessee	37203
P & H Telecom	1330 Overton Park Avenue		Memphis	Tennessee	38104
Pallmar Products, Inc.	1200 Abernathy Road	Suite 1700	Atlanta	Georgia	30328
PC Telecom, LLC	611 Commerce Street	Suite 3015	Nashville	Tennessee	37203
Premier Telecommunications, L.L.C.	699 Stacey Rd.		White Bluff	Tennessee	37187
Roger Wright	1212 N. Locust Avenue		Lawrenceburg	Tennessee	38464
RTC Communication Systems	5705 Marlin Road	Bldg 5900, Suite 1300	Chattanooga	Tennessee	37411
Sage Lion, Inc.	8049 Arbor Drive		Nashville	Tennessee	37221
SecureTel	45 Tarkenton Drive		Humboldt	Tennessee	38343
Services Group, Inc.	116 Sherway Road		Knoxville	Tennessee	37922
Smiles Communication Systems, Inc.	206 E. Oakland Avenue		Johnson City	Tennessee	37604
Southeastern Communication Services, Inc.	3849 Cleveland Road		Dalton	Georgia	30721
Southern Communications Systems, Inc.	5 North 3rd Street	Suite 2030	Memphis	Tennessee	38103
Southern Telephone Company, Inc.	9799 Hwy 104W		Cedar Grove	Tennessee	38321
Stonedog Technologies, Inc.	441 Park Avenue	Suite A	Lebanon	Tennessee	37087
Strategic Communications, Inc.	863 Springfield Highway		Goodlettsville	Tennessee	37072
TechNet, LLC	44 Music Square East		Nashville	Tennessee	37202
Teems Electric, Inc.	465 Rollins Industrial Court		Ringgold	Georgia	30736
Telecom Outsource Solutions, LLC	2305 Taybrville Road	Suite 12	Louisville	Kentucky	40205
Tennessee Computer Systems, Inc.	117 Nowlin Lane	Suite 800	Chattanooga	Tennessee	37421
The CBI Group, LLC	120 Seaboard Lane		Franklin	Tennessee	37067
Total Computer Solutions of Tennessee, Inc.	419 Jackson Avenue		Memphis	Tennessee	38105
United Telephone-Southeast	112 6th Street		Bristol	Tennessee	27620
Uttz, Inc.	1602 Highway 51 South		Covington	Tennessee	38018
Wendell Loyd Enterprises	234 Gill Street		Jackson	Tennessee	38301
Wilcom, Inc.	802 Nashville Highway		Columbia	Tennessee	38401

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *Complaint of Access Integrated Network, Inc. Against BellSouth Telecommunications, Inc.*

Docket No. 01-00808

ANSWER OF BELL SOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth") files its answer to the complaint of Access Integrated Networks, Inc. ("AIN").

1. BellSouth admits that AIN is a competitive local exchange carrier certified by the Tennessee Regulatory Authority ("TRA") to offer intrastate telecommunications services in Tennessee.

2. BellSouth admits that it is an incumbent local exchange telephone company offering telecommunications services in Tennessee. BellSouth also admits that it is an incumbent local exchange telephone company operating under a price regulation plan pursuant to T.C.A. § 65-5-209.

3. BellSouth admits that BERRYDirect is a division of L. M. Berry & Company and that BERRYDirect engages in certain telemarketing activities. BellSouth denies that L. M. Berry & Company is a wholly-owned subsidiary of BellSouth Telecommunications, Inc. To clarify, BellSouth states that L. M. Berry & Company is a wholly-owned subsidiary of BellSouth Enterprises, Inc. BellSouth Enterprises, Inc. is a wholly-owned subsidiary of BellSouth Corporation.

BellSouth further states that it engaged BERRYDirect to market the BellSouth 2001 Key Business Discount Program and certain other tariffed services, including 1FBs and Complete Choice for Business in Tennessee on behalf of BellSouth. To the extent further answer is deemed required, BellSouth denies the remaining allegations of paragraph 3.

4. BellSouth admits that on August 27, 2001, a representative of BERRYDirect offered to provide the BellSouth 2001 Key Business Discount Program to the Tennessee customer referenced in AIN's Complaint. BellSouth further admits that the sales representative sent the customer a fax cover sheet with a hand written note stating "This will also give you three mos, 1st – 6th – 12th, no charge in each business – Fax right back!" Further answering, BellSouth states that it is the policy of BellSouth that pricing for regulated services be offered by BellSouth, its contractors and agents, in strict conformance with the terms of the tariffs governing the provision of such services. Upon review of AIN's complaint, all marketing by BERRYDirect to Tennessee customers was promptly suspended.

BellSouth further states that the proposed BellSouth 2001 Key Business Discount Program contracts faxed to the customer on August 27 are consistent and in compliance with BellSouth's filings with the Authority and contain no provision for free local telecommunications service. Further, the referenced sales proposal faxed on August 27, 2001 by the representative of BERRYDirect to the customer which is the subject of AIN's Complaint was not accepted by the

customer. To the extent further answer is deemed required, BellSouth denies the remaining allegations of paragraph 4.

5. BellSouth admits that its 2001 Key Business Discount Program tariff on file at the TRA does not provide for an offer of free local telecommunications service.

6. BellSouth denies the allegations of paragraph 6. Further answering BellSouth states that the allegations contained in paragraph 6 seek to characterize T.C.A. § 65-4-122 and TRA Rule 1220-4-8-.09(2)(c)(3) and respectfully refers the TRA to those provisions for their meaning and effect and denies any inconsistent allegations. BellSouth further states that the allegations of paragraph 6 constitute legal conclusions and therefore no answer is required to those allegations.

7. BellSouth states that the allegations contained in paragraph 7 constitute legal conclusions and therefore no answer is required to those allegations. BellSouth denies that the TRA should issue a show cause order or sanction BellSouth. As stated, upon review of AIN's complaint, all marketing by BERRYDirect to Tennessee customers was promptly suspended. Any statement or implication that a customer will receive free or complimentary tariffed services under the BellSouth 2001 Key Business Discount Program is contrary to both the terms of the applicable tariff and BellSouth policy and practice. Further, BellSouth has instructed BERRYDirect to withdraw any sales proposals which may have implied any offers of free local telecommunications services made to prospective customers under the BellSouth 2001 Key Business Discount Program prior to

suspension of the marketing of the BellSouth 2001 Key Business Discount Program by BERRYDirect.

8. Any allegation not specifically admitted herein is denied.

WHEREFORE, BellSouth respectfully requests that the Authority deny the relief requested by AIN and dismiss AIN's Complaint with prejudice.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read "Guy M. Hicks", is written over a horizontal line. The signature is stylized with a large loop at the end.

By:

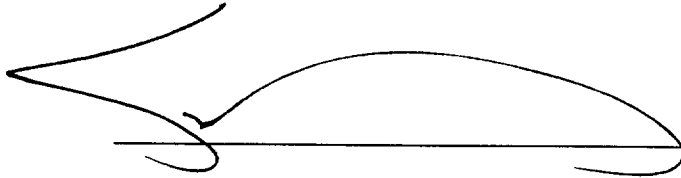
Guy M. Hicks
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300
615/214-6301

CERTIFICATE OF SERVICE

I hereby certify that on October 2, 2001, a copy of the foregoing document was served on the parties of record, via the method indicated:

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
P. O. Box 198062
Nashville, TN 37219-8062

A handwritten signature in black ink, appearing to read "Henry Walker", written over a horizontal line.